

NATIONAL CANNERS ASSOCIATION



Information Letter



FOR N. C. A. MEMBERS

No. 194

Washington, D. C.

February 5, 1927

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Atlantic City Convention

The Twentieth Annual Convention of this Association and allied organizations in Atlantic City was more largely attended by canners and distributors than was previously anticipated, the total registration being 5,000. The Convention was a noteworthy one in many respects and marks an important stage in the history of the canning industry.

The increasing recognition being given to commercial canning as an agricultural industry was brought out more clearly than ever before, not only by the large number of splendid addresses on the agricultural phases of the industry, but from the unusually large attendance of Federal and State agricultural officials at the Convention.

Two very instructive exhibits were made by the U. S. Department of Agriculture in connection with the machinery exhibit at the Million Dollar Pier, and a special information desk was maintained at the Ambassador Hotel by the Department to give canners information about the application of the U. S. Warehouse Act to the canning industry.

The Department of Commerce also maintained an information bureau at the same hotel in order to give canners an opportunity to secure first-hand information about the work of that department.

Among the resolutions adopted at the Convention was one commending the work done by the committees of canners and allied organizations in promoting Canned Foods Week, and recom-

mending that Canned Foods Week be continued and that canners be urged to co-operate to the fullest extent.

Another resolution adopted placed the Association on record as endorsing the Federal Food and Drugs Act, and offering the cooperation of the Association in any effort to secure greater uniformity between State and Federal food laws.

By resolution, the Secretary of Agriculture was requested to provide as soon as possible for comprehensive research on diseases of vegetable crops, particularly seed-borne diseases of such crops as beans, peas, and sweet corn.

One of the novel features of the Convention was a Canned Foods demonstration conducted at the request of a Stewards Club of Atlantic City, and presided over by Mr. Walter B. Timms of New York City. A large number of stewards attended this demonstration, and general satisfaction was expressed over the results and the information given to the stewards in the course of the meeting.

Following is a list of the officers elected, and the committees appointed at the Convention:

Officers

President: HARRY L. CANNON

First Vice-President: WADE L. STREET

Second Vice-President: LEONARD E. WOOD

Secretary and Treasurer: FRANK E. GORRELL

Directors

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*RALPH BROWN, Rochelle, Ill.

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DR. F. T. CLARK, Waupun, Wis.

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ALLAN CUTLER, Ontario, Calif.

*E. B. DEMING, South Bellingham,
Wash.

JOSEPH W. DENIGER, Beaver Dam,
Wis.

JAMES D. DOLE, Honolulu, T. H.

*ARTHUR C. DORRANCE, Camden,
N. J.

FRANK W. DOUTHITT, Ortonville,
Minn.

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*WM. B. DURANT, Boston, Mass.

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*E. R. ELWELL, Portland, Me.

MARK EWALD, Olympia, Wash.

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ARTHUR HAMILTON, Lebanon, Ohio

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Calif.

C. E. HUME, San Francisco, Calif.

*B. R. IKENBERRY, Daleville, Va.

DIRECTORS—Continued

- | | |
|--|---|
| *HARRY IMWOLD, Baltimore, Md. | CARLETON M. PIKE, Eastport, Me. |
| *GEORGE R. KELLEY, Grinnell, Iowa | *BERT POWERS, Gaston, Ind. |
| RALPH KEMP, Frankfort, Ind. | HERBERT G. PRESSING, Norwalk, Ohio |
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| B. E. MALING, Hillsboro, Oreg. | *F. A. STARE, Columbus, Wis. |
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| B. C. NOTT, Grand Rapids, Mich. | FRANK H. VAN EENWYK, East Williamson, N. Y. |
| B. C. OLNEY, Rochester, N. Y. | |

*Elected at Atlantic City Convention

Section Officers

CORN

- JOHN L. BAXTER, *Chairman*, Brunswick, Maine.
C. E. GREGG, *Secretary*, Vincennes, Indiana.

KRAUT

- EUGENE ERDRICH, *Chairman*, Bellevue, Ohio.
ROY IRONS, *Secretary*, Clyde, Ohio.

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- CHARLES H. KARCH, *Chairman*, Hartford, Wis.
GEORGE A. BURNHAM, *Vice-Chairman*, Newark, N. Y.
JOHN KRAEMER, *Secretary*, Templeton, Wis.

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IVAN MORGAN, *Secretary*, Austin, Indiana.

WAX AND GREEN BEAN

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J. R. WHEATLEY, *Secretary*, Easton, Md.

FRUIT

- HAROLD K. ROYAL, *Chairman*, Shelby, Mich.
C. E. HUME, *Secretary*, San Francisco, Calif.

TOMATO AND TOMATO PRODUCTS

- JOHN S. SOUDER, *Chairman*, Greenfield, Ind.
GAGE B. RODMAN, *Secretary*, Ogden, Utah.

PEA

- ROBERT S. THORNE, Geneva, N. Y.
JOHN G. M. BARNES, Kaysville, Utah.

Standing Committees

ADJUSTMENT COMMITTEE

- | | |
|--|---------------------------------|
| N. J. GRIFFITH, <i>Chairman</i> , Utica, N. Y. | WM. EARLE WITHGOTT, Easton, Md. |
| C. J. MITCHELL, Eureka, Ill. | C. A. YUNKER, Marhean, Wis. |
| W. W. WILDER, Clyde, Ohio. | |

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ELMER E. CHASE, San Jose, Calif.	JAMES MOORE, Rochester, N. Y.
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E. B. COSGROVE, Le Sueur, Minn.	JOSEPH N. SHRIVER, Westminster, Md.
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RICHARD DICKINSON, Eureka, Ill.	H. P. STRASBAUGH, Aberdeen, Md.
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CANNED FOODS WEEK

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 FRANK GERBER, Fremont, Mich. JAMES MOORE, Rochester, N. Y.

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WILLIAM GELLERSON, San Francis- co, Calif.	WILLIAM SILVER, Aberdeen, Md.
D. F. GERBER, Fremont, Mich.	JOHN S. SOUDER, Greenfield, Ind.
L. T. HALLETT, Rochester, N. Y.	WALTER TREGO, Hoopeston, Ill.
	J. B. WEIX, Oconomowoc, Wis.
	F. A. WILDER, Santa Clara, Calif.
	F. HALL WRIGHTSON, Easton, Md.

DISTRIBUTION RESEARCH

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FRANK GERBER, Fremont, Mich.	JAMES MOORE, Rochester, N. Y.
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ROYAL F. CLARK, Beaver Dam, Wis.	B. C. NOTT, Grand Rapids, Mich.
E. B. COSGROVE, Le Sueur, Minn.	H. P. STRASBAUGH, Aberdeen, Md.
RICHARD DICKINSON, Eureka, Ill.	E. F. TREGO, Hoopeston, Ill.
FRANK GERBER, Fremont, Mich.	L. E. WOOD, San Francisco, Calif.
F. A. HARDING, Boston, Mass.	cuse, N. Y.
WADE L. STREET, Rochester, N. Y.	

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J. O. HOLT, Eugene, Oreg.	WILLIAM SILVER, Aberdeen, Md.
R. C. MAYHALL, JR., Edinburg, Ind.	F. A. STARE, Columbus, Wis.

REVISION OF COST ACCOUNTING BULLETIN

WILLIAM SILVER, *Chairman*, Aberdeen, Md.

E. B. COSGROVE, *Vice-Chairman*, Le Sueur, Minn.

E. J. COLEMAN, Chicago, Ill.	HARRY MCCARTNEY, Chillicothe, Ohio
ALBERT M. LESTER, San Francisco, Calif.	RALPH W. SMITH, Victor, N. Y.

CHARLES G. SUMMERS, JR., 'New Freedom, Pa.

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 JOHN L. BAXTER, Brunswick, Me. C. S. JONES, Peoria, Ill.
 R. I. BENTLEY, San Francisco, Calif. KARL F. KELLERMAN, U. S. Bureau
 F. C. BLANCK, U. S. Bureau of of Plant Industry, Wash., D. C.
 Chemistry, Washington, D. C. WILLIAM MCEWING, South Haven,
 ELMER E. CHASE, San Jose, Calif. Mich.
 J. D. DOLE, Honolulu, T. H. FRED L. MONNET, Santa Clara, Calif.
 ARTHUR C. DORRANCE, Camden, N. J. RALPH POLK, JR., Haines City, Fla.
 E. S. THORNE, Geneva, N. Y.

SEED CONTRACTS

LAURENCE MEULENDYKE, *Chairman*, Rochester, N. Y.
 JOHN L. BAXTER, Brunswick, Me. ROYAL F. CLARK, Beaver Dam, Wis.

SIMPLIFICATION OF CONTAINERS

L. S. ARGALL, *Chairman*, Marshalltown, Iowa
 DAN F. GERBER, Fremont, Mich. J. N. NUMSEN, Baltimore, Md.
 PRESTON MCKINNEY, San Francisco, Calif. ROBERT S. THORNE, Geneva, N. Y.

STANDARDIZATION OF TIN PLATE FOR CANNERS' CANS

W. R. ROACH, *Chairman*, Grand Rapids, Mich.
 JAMES P. BAXTER, JR., Brunswick, Me. W. B. DURANT, Boston, Mass.
 A. E. WHITE, Ann Arbor, Mich.

TOMATO IMPORTS

WADE L. STREET, *Chairman*, Rochester, N. Y.
 B. R. HART, San Francisco, Calif. ROY NELSON, Crane, Mo.
 H. L. HERRINGTON, Ogden, Utah CARL SCUDDER, Windfall, Ind.

Distribution Research

Following a very forceful address at the Convention by Mr. H. W. Phelps, President of the American Can Company, on the need for a study of canned foods distribution, the newly appointed Committee on Distribution Research met on Thursday, January 27th.

The Committee agreed unanimously that it was advisable to proceed cautiously and secure more information than is at present available before recommending to the Board of Directors any extensive investigation or the commitment of the Association to any definite policy on this subject.

The Committee recommended to the Convention that they be authorized to employ a skilled investigator to collect certain information needed by the Committee to determine whether a comprehensive research on that subject should be carried out and, if so, along what lines it should be conducted.

The Committee also recommended that the expenses of this investigation be borne by voluntary contributions already

pledged, and by such financial assistance as may be approved at subsequent meetings of the Board of Directors, and that the Committee be authorized to employ such assistance as is necessary to enable them to make proper recommendations to the Board.

These recommendations were approved at the Friday morning session of the Convention, and the Committee is already preparing to carry them out.

Pro Rata Contract

The Pro Rata Contract Committee, Norman J. Griffith, Utica, New York, Chairman, presented to the Conference Committee a revised form of Pro Rata Contract. The Conference Committee gave its approval to this form of contract, and suggested that it be sent out to various members of this association so that it might be put into practical use and its suitability determined in that way. Following is a copy of the proposed contract:

NATIONAL CANNERS ASSOCIATION UNIFORM PRO RATA DELIVERY PARAGRAPH

Pro Rata Delivery: In case seller is unable to make full delivery by reason of government commandeering, requisition or reservation, strike, flood, fire, crop shortage, and/or damage, failure of transportation facilities, or for any cause or condition beyond seller's control, seller shall pro rate remaining stock. If seller is unable to perform any other of its obligations under this contract by reason of any of the foregoing causes, such obligation shall at once terminate and cease. If seller shall deliver less than seventy-five per cent (75%) buyer may require seller to produce certificate from National Canners Association, without expense to buyer, justifying such delivery, which certificate shall release seller from all further obligations on account of short delivery. If delivery is not so justified, National Canners Association shall assess damages and seller agrees to pay same.

RULES FOR GUIDANCE OF NATIONAL CANNERS ASSOCIATION IN JUDGING PRO RATA DELIVERIES

RULES OF PROCEDURE

A member requesting the National Canners Association to furnish pro rata delivery certificate shall apply for same in writing through the Secretary of the Association. Immediately upon the receipt of such request, the Secretary shall transmit to the applicant a copy of the application blank, which is attached hereto and is a part of these rules.

Upon receipt of the application blank properly filled out and signed, the Secretary shall refer the application to the Pro Rata Delivery Contract Board under jurisdiction of which the applying canner comes, the Chairman of the Board (unless he be the applying canner in which case

the Vice-Chairman) shall select from the Board a committee of three, subject to the approval of the Board to pass upon the application. Said committee may appoint an investigator or investigators, an auditor or auditors, and shall promptly verify from all available original records the data submitted in the application blank, and shall secure any additional information which is pertinent. The cost of such investigation shall be borne by the applicant, and the applicant shall agree to abide by the findings as specifically provided in the application blank.

In case this committee decides after its investigation that the Pro Rata delivery is in order, it shall direct the Secretary to issue the National Cannery Association certificate.

In case the committee decides after investigation that the delivery is not so justified its report shall be made to the Regional Pro Rata Contract Board which Board, acting as a whole, except for the membership upon it of the applying canner, if he be a member of the Board, shall assess damages for the delivery.

GENERAL RULES

1. The Pro Rata Delivery Clause is incorporated in the National Cannery Association Uniform Pro Rata Delivery Contract for the protection of the Canner who follows the legitimate practice of selling goods to be packed to order in the event of causes beyond the canner's control preventing him from packing the goods in question.

The provision whereby the buyer may call on the canner making a less than 75% delivery for a certificate from the National Cannery Association justifying such short delivery, is incorporated in the contract for the protection of the buyer against short deliveries due to the incompetence or dishonesty of the canner and not to causes beyond his control.

2. To decide whether on the one hand causes beyond the canner's control or on the other hand incompetence or dishonesty of the canner have caused the canner to make a delivery of less than 75%, the President of the National Cannery Association shall appoint Regional Pro Rata Contract Boards, as many as he shall deem necessary and of as many members and substitutes as he shall deem necessary.

3. These Regional Boards shall consist of canner members of the National Cannery Association doing business in the particular region and substitutes of the same qualifications. These substitutes shall take the place of any member of the Board who is unable to act on the matter by reason of being involved in the controversy or by any other reason.

4. Where a canner claims crop shortage and/or damage as the cause of his short delivery, he must show that at some time subsequent to the date of sale and prior to the date of the claimed shortage and/or damage of the crop he owned or controlled by written contract raw material of the quantity and of the quality necessary for the packing of the goods in question; or that either prior or subsequent to the date of sale and prior to the date of the claimed shortage and/or damage he had provided for sufficient acreage to cover all goods sold for delivery during the coming season, such acreage being based on an average yield.

The Regional Board will not certify to the propriety of any canner's claim to the right to make short delivery on any ground whatsoever, unless the canner is able to prove to the satisfaction of the Regional Board that he would have been able to pack orders sold, in full, but for the interference of the causes or conditions beyond the canner's control, specified by the canner in his application for the certificate.

5. The Regional Pro Rata Contract Board Committee shall investigate the basis upon which the canner covered his future sales with contracts for raw materials, using at least a three year average basis to determine what the canner might reasonably expect as to yields and grades.

6. If the Canner is found to have been incompetent or dishonest, the Regional Board shall assess such damages against him as in their best judgment are due to the buyer.

Report of the Seed Contract Conference Committee

The Seed Contract Conference Committee submitted to the Atlantic City Convention results of their efforts to improve the existing form of seed contract. In commenting on this proposed contract, the committee says:

"This Contract does contain a suitable definition of the phrase 'In good merchantable condition' which appears in Clause 2. Also in Clause 2 there has been an effort to improve the wording in reference to germination so that the same now reads, 'And of good germination for the crop of the current year.'

"In Clause 5 we have an addition whereby the purchaser in paying for seed before arrival and examination does not waive his right to make complaint as to the merchantable condition and germination of the seed.

"In Clause 7 or the Non-warranty Clause, there has been added the words, 'Except as herein otherwise expressly provided,' which makes for harmony within the Contract, and makes impossible the nullification of the additions made to the Contract through a strict interpretation of the present wording of this Clause.

"In Clause 8 there is a distinct addition for both parties in providing a basis of arbitration for claims of damages arising under the Contract.

"Although your Committee has forcefully and persistently presented your views that it was necessary for our members to have protection against the presence of an undue proportion of rogues in the delivery of seed under the Contract, the Seedmen's Committee were unable to concede this point at this time.

"Time does not permit of a discussion of this vital issue but your Committee does recognize the futility of trying further to gain the consent at this time of the American Seed Trade Association to the inclusion of a clause, or phrase, on quality of seed. While it is recognized that the absence of this issue from the Contract does make it unacceptable to you as a Contract which you can heartily endorse, your Committee does hope that the other improvements made will so recommend themselves to you

that you may suggest to your membership the wisdom of using this revised Contract when making future purchases of seed."

The personnel of this very efficient committee is Laurence Meulendyke, Rochester, N. Y., Chairman; John L. Baxter, Jr., Brunswick, Me.; and Royal F. Clark, Beaver Dam, Wis.

REVISED FORM OF SEED CONTRACT

January 15, 1927.

THIS AGREEMENT, made in duplicate this day of
..... 19.., between (a corporation)
of party of the first part, herein
after called the seller, and of
....., party of the second part, hereinafter called the purchaser,
WITNESSETH:

1. The seller agrees to sell and deliver and the purchaser agrees to accept and pay for the varieties of seeds, in the amounts, at the prices, and subject to the terms and conditions herein set forth.

2. The seller agrees to plant, or cause to be planted, during the season of 19.., an acreage of land, which will produce, under normal conditions, an amount of seed of the varieties hereinafter named, which, together with such varieties of seeds previously grown by, or for, the seller and now on hand, will be sufficient to enable the seller to deliver the quantities of the said varieties herein contracted for, and the seller agrees to deliver such seeds in good merchantable condition, as hereinafter defined, and of good germination for the crop of the current year, on or about....
.....19.., or when, after harvest time, they are ready
for delivery, f. o. b., containers extra at cost.

The phrase "in good merchantable condition" is defined as seeds properly fitted for seeding purposes, by thorough screening, and, where necessary, by hand-picking; approximately free from foreign seeds distinguishable by their appearance.

3. It is agreed that in case of partial or total failure of any or all crops planted or caused to be planted by the seller for the purpose of producing the varieties of seeds herein named, or, in case of damage to, or destruction of, the seller's seed stocks before planting, or to the products of such plantings, or to any seed of the varieties herein named, now on hand, and to be delivered under this agreement, through fire, accident, or otherwise, the seller shall be obligated to deliver proportional quantities only, and in any event the seller shall have the right to reserve its stock seed.

4. Payment by the purchaser of the purchase price shall be made either net by sixty days' acceptance, or less a discount of one and one-half (1-1/2%) if paid in ten days from date of shipment of seeds; PROVIDED, HOWEVER, that if, at any time, the financial condition of the purchaser becomes unsatisfactory to the seller, the purchaser agrees, upon receipt

of written notice to that effect, and upon demand by the seller, to pay for the seeds in advance of delivery, less a cash discount of one-half of one per cent, per month, from date payment is demanded, to the first day of March next following. In the event that such payment is not made within ten days from receipt of such demand for payment, the seller shall have the right, without further tender of delivery of seeds, the subject of this contract (1) to cancel this contract, or (2) to demand from the purchaser the immediate payment to it of seller's damages caused by the aforesaid breach of contract.

5. It is mutually agreed that in the event the purchaser shall have paid for the seed prior to its arrival and examination, he shall not thereby waive his right to make complaints regarding the merchantable condition or germination of said seed; but that in any event said complaints shall be made within thirty (30) days after arrival of the seed; and that the seller shall not be held for damages after such seed is planted.

6. This agreement, unless signed by one of its executive officers, shall not be binding upon the seller until confirmed by its home office.

7. Except as herein otherwise expressly provided the seller gives no warranty, express or implied, as to description, quality, productiveness, or any other matter of any seeds sold by it, and it will not be in any way responsible for the crop.

8. It is further agreed by the parties that in the event of any dispute, controversy, or claim of damages arising under this agreement, such dispute, controversy, or claim shall be submitted by the parties hereto to the Arbitration Committee of the American Seed Trade Association, whose award, decision or judgment on the facts and the law therein shall be final and binding on both parties in every respect. In any event, however, the seller shall not be liable to the purchaser for any loss or damages in a sum greater than the invoice price of the individual lot of seed which is the cause of the complaint, arbitration or action at law.

Pounds	Bushels	Barrels	Number of selected cars	Kind of Seed	Variety	Place
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(Note) In printed form, leave at this point sufficient space for insertion of the items of the order.

Signatures

Name
"The Purchaser"

..... By
"The Seller"

By P. O. Address

Shipping Point

Routing

Annual Report of President and Secretary-Treasurer

A copy of the Annual Report of the President and Secretary-Treasurer of the Association is being sent to each member with this Information Letter.

Resale Price Maintenance

The following statement prepared by the Association's counsel, Covington, Burling and Rublee, will be of interest to many of our members.

The Supreme Court of the United States has recently handed down an interesting decision on the perplexing question of resale price maintenance in violation of the Federal anti-trust laws in the case of *United States of America v. General Electric Company, Westinghouse Electric & Manufacturing Company and Westinghouse Lamp Company*, decided November 23, 1926.

The court holds that the manufacturer of patented articles, which under patent he has the exclusive right to make and sell, is not violating the common law or the Federal anti-trust laws by seeking to dispose of his articles directly to the consumer through agents who are ordinarily engaged in business as wholesalers and retailers, and by fixing the price by which such agents transfer the title to the articles from the manufacturer direct to the consumer. The patented articles were incandescent electric lights. The case indicates, although it does not expressly so hold, that the owner of an unpatented article may legally pursue the same plan of sale.

The case is extremely important in that the Court finds, as a proposition of law, that the plan of distribution and sale, objected to by the United States, was a plan of sale by the manufacturer through agents acting for it and was not, as contended by the United States, a sale to the agent and resale by him.

The second proposition is that an owner of a patent may license another to manufacture and sell under the same, retain the right to make and vend under it on his own account and impose on his licensee the condition that his sales shall be at prices fixed by the licensor. Also the court held that the licensor could impose upon the licensee the condition that in selling the patented articles the licensee must follow the same plan of sale and distribution as that followed by the licensor, which, as has been stated, was simply a plan of selling and distributing to the consumer directly through agents; such agents being those who are ordinarily engaged in business as wholesalers or retailers.

The plan of distribution and sale referred to above was as follows: The General Electric Company, the owner of the patent, negotiated its sales of lamps manufactured by it in three ways: first, sales to large consumers, which could be readily reached by the General Electric Company, were negotiated by its own employees and deliveries made from its own factories; second, sales to some large consumers were made under contracts with the General Electric Company which had been negotiated by

agents; the deliveries being made from stock in the custody of the agents; third, sales were made by another class of agents to general consumers under similar contracts.

Under the terms of the company's contracts with its agents the company was to maintain on consignment in the custody of the agent a stock of lamps, the sizes, types, classes and quantity of which and the length of time in which they were to remain in stock to be determined by the company. The lamps were to be kept by the agents at their places of business, were to be returned to the company as it might direct, and under the contract all of the lamps were to remain the property of the company until sold and the proceeds were to be held in trust for the benefit and account of the company until accounted for. The agent could deliver the patented article from the stock to any purchaser under written contract with the company *at the prices* and on the terms *stated in the contract* and could sell lamps from the stock to any consumer to the extent of his requirements for immediate delivery *at prices specified by the company*. There was a basic rate of commission payable to the agent and there were certain special supplemental and additional compensations for prompt and efficient service.

The agent was to pay all expenses incident to storage, cartage, transportation, handling, sale and distribution of the lamps and to the accounting therefor and collection of accounts credited. Freight transportation from the company to the agent was paid by the company. The agent guaranteed the return to the company of all unsold lamps after termination of the agency and each month was to turn over to the company an amount equal to the total sales value, less the agent's compensation, of all the lamps sold by him, that is, first, of the collections that have been made and, second, of those customers' accounts which are past due. He was to pay to the company the value of all the lamps missing from or damaged in the stock in his custody. Although there was no specific agreement in the contract to this effect, the company assumed all risk of fire, flood, obsolescence, price decline, and carried whatever insurance was carried on the stocks of lamps in the hands of its agents and paid whatever taxes were assessed.

The Government, as has been stated, had contended that the so-called agents were really purchasers and that the company had therefore fixed the resale price of its patented articles and was not simply fixing the original sale price. The court held that the contract was one of agency and not one of sale and that therefore the sale price fixed by the manufacturer was the original one and consequently there was no violation of the common law or the Federal anti-trust laws.

An important statement in the opinion of the Court (and perhaps the most important in view of the public misunderstanding as to the effect of the decision) is that in which it is distinctly said that an earlier decision as to the invalidity of contracts intended to fix the resale price of manufactured articles in the hands of *purchasing* distributors is expressly reaffirmed.

To Bidders for Navy Supplies

While many of our members have probably received a letter from the Navy Department asking their cooperation in helping to make the Navy Schedules and Specifications for supplies more intelligible and in conformity with commercial practice, it seems worth while to publish a copy of their recent letter on this subject, which is as follow:

1 December, 1926.

SIR: You have been receiving schedules calling for bids on supplies for your Navy. Centralization of all important purchases for the whole Navy in the Purchase Division of this Bureau permits contracting for quantity deliveries to primary distribution stations. It will be of interest to you to know that during the fiscal year ended 30 June, 1926, this Bureau issued 2,889 schedules, received 14,407 proposals, prepared 4,698 contracts and orders of a total value of \$55,344,574.12.

Every effort is made to have specifications, packing requirements and delivery conditions conform to recognized commercial standards. It is obvious from the large number of items purchased that this can be successfully done only through cooperation and assistance of specialists—the manufacturers and dealers. Commercial conditions are changing constantly; specifications and delivery conditions which were applicable a year ago may now be obsolete.

It has been found that many concerns hesitate to offer suggestions to Government purchasing and technical officers feeling that such comments may not be desired or considered. This is not the case. Constructive criticisms or suggestions are welcome. Manufacturers and others are urged to cooperate by offering suggestions or criticisms which will be of value in improving future methods of purchase.

Are the schedules understandable?

Are the specifications clear and precise Can they be improved?

Do packing requirements conform to commercial practice?

Are the quantities sufficient to secure best prices? Are they so large as to eliminate the smaller producer or dealer?

Does the grouping of items and classes follow commercial practice?

Is the purchase being made at the proper season of the year?

Will you let us have the benefit of your comments from time to time on these questions? It is hoped, through your cooperation, to increase the attractiveness of Navy business to the commercial world.

Respectfully,

CHARLES MORRIS,

Paymaster General of the Navy

Domestic Exports of Canned Foods

The following export figures have been compiled by the Department of Commerce:

		12 Months Ended December	
		1925	1926
Total canned vegetables	Lbs.	55,360,564	71,347,471
	\$	5,917,759	6,748,791
Total canned fruits	Lbs.	263,360,075	223,749,417
	\$	26,828,740	22,684,394
Total canned meats	Lbs.	16,889,556	15,599,282
	\$	5,293,953	5,256,835
Salmon, canned	Lbs.	53,171,616	53,511,098
	\$	9,060,703	8,578,221
Sardines, canned	Lbs.	62,712,626	71,285,456
	\$	5,302,040	6,126,476
Apricots, canned	Lbs.	33,403,136	32,360,350
	\$	3,040,796	3,262,783
Peaches, canned	Lbs.	84,749,086	66,599,128
	\$	7,910,110	6,595,320
Pears, canned	Lbs.	69,457,983	51,227,411
	\$	8,303,585	5,528,935
Pineapple, canned	Lbs.	36,287,834	31,120,905
	\$	3,547,558	2,980,893

Catsup for U. S. Veterans Bureau

The U. S. Veterans' Bureau is requesting sealed proposals for 1,000 dozen 14-oz. bottles catsup. Proposals to be received not later than 2 o'clock February 18, for delivery not later than March 10.

Copies of the blanks for proposals, with specifications and instructions to bidders, can be secured upon application to the Assistant Director, Supply Service, U. S. Veterans' Bureau, Washington, D. C.

Corn Borer Legislation

The Senate committee having in charge the Purnell Bill providing for a \$10,000,000.00 appropriation to combat the European Corn Borer has made a unanimous favorable report to the Senate on this bill. The prospects of legislation on this subject at the present session are therefore very favorable.

Wholesale Trade in 1926

According to a statement just issued by the Department of Commerce, stocks of groceries carried by wholesale firms at the

end of December 1926, were about 12% smaller than at the corresponding time a year ago. Average monthly sales during 1926 were about the same as those in 1925, but were only about 83% of corresponding sales in 1919. Stocks of groceries on hand in the wholesale trade at the end of December 1926 were 12.4% less than a year ago.

Retail Prices of Food

According to a bulletin of the Bureau of Labor Statistics, U. S. Department of Labor, the retail food index shows a decrease of about $2\frac{1}{4}$ per cent in the average retail price of foods since December 15, 1925, and an increase of a little more than $55\frac{1}{2}$ per cent since December 15, 1913. Taking the index number in 1913 as 100, the corresponding figure for December 1925 was 165.5 and for December 1926, 161.8.

Census of Canning and Preserving

The Census Bureau of the Department of Commerce released in time for the Atlantic City Convention a preliminary report of the census of the canning and preserving industry for 1925. The complete census report will doubtless be published shortly, but any member desiring a copy of the preliminary report will be furnished with a copy upon request.

Australian Import Duty on Tomato Pulp Reduced

According to the American Trade Commissioner at Melbourne the duty on tomato pulp imported to Australia has been reduced from 72 cents a gallon, equivalent to \$137.80 a ton, to 10% ad valorem, which on recent quotations approximates \$12.10 a ton.

Tomato pulp has been imported from the United States in increased quantities recently owing to the scarcity of tomatoes in Australia.

Duty on Pitted Cherries in Brine

The United States Court of Customs Appeals has affirmed the decision of the U. S. Customs Court that imported pitted cherries in brine are dutiable at two cents per pound instead of at 40 per cent ad valorem, under paragraph 737, as claimed by the Government.

The text of this decision is published as T. D. 41959 in "Treasury Decisions" for January 27, 1927.